



## State of Utah

### Department of Natural Resources

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### Division of Oil, Gas & Mining

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*Lieutenant Governor*

March 29, 2005

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 1409

Dan Proctor  
Unico Incorporated  
951 East 830 South  
Pleasant Grove, Utah 84062

Subject: Initial Review of Amended Notice for Large Mining Operations, Unico, Incorporated, Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Proctor:

The Division has completed our review of your draft Notice of Intention to amend your large mining operations at the Deer Trail Mine, located in Piute County, Utah, which was received March 16, 2005. this amendment involves the fine ore bin and gallery.

After reviewing the information, the Division has determined that the notice meets the qualifications to be considered an amendment, rather than a revision. Therefore, this will not need to be published for public comment. The attached comments will need to be addressed before tentative approval may be granted.

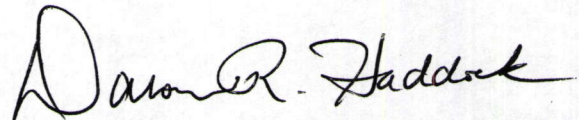
The comments are listed under the applicable Minerals Rule heading. Please format your response in a similar fashion. **Please address only those items requested in the attached technical review.** Please send replacement pages of the original mining notice using redline and strikeout text, so we can see what changes have been made. After the amended notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the replacement pages to insert into the approved plan. Upon final approval, we will return one copy of the pages stamped "approved" for your records. Please provide a response to this review by April 28, 2005.



Dan Proctor  
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March 29, 2005

The Division will suspend further review of the Deer Trail Mine amended Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me, Lynn Kunzler or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:DJ:jb  
Attachment: Review  
O:\M031-Piute\M0310003-Unico\final\Rev-amend-03252005.doc



## **REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS**

**Unico, Inc.  
Deer Trail Mine**

**M/031/003  
March 28, 2005**

### **R647-4-105 - Maps, Drawings & Photographs**

#### **105.2 Surface facilities map**

The plan indicates that the upper annex will be built above an existing 20' X 40' portion of the mill building. Drawing ML-4 indicates that a door located on the south side of this addition will exit to a walkway to a filter plant.

There is nothing in any of the plans that indicates that a walkway has been constructed to access the filter plant at this level. Please indicate how this feature will be constructed and include the removal in the reclamation surety. (DJ)

The description of the fine ore bin construction indicates that an upper deck will be built above the bins.

Please indicate how this upper deck will be accessed and show this access on the drawings. (DJ)

There are no drawings in this submission that shows the construction and support components that will be built to support the incline belt and shuttle conveyor that will feed the fine ore bins.

Please include a drawing of these components and include the cost of removal in the surety. (DJ)

Drawing ML-3 shows the concrete details for the bin footings and support wall. Please indicate the extent of the reinforcement of these components. (DJ)

This drawing also seems to indicate a floor will be poured in the area below the bins. The submission does not discuss the placement or removal of any concrete in this area. Please include in the plan what the composition of this floor will be and how the area will be reclaimed. (DJ)

The plan indicates that the conveyor gallery located between the bins and the mill building will occupy a pad originally poured for the small fine ore bin. The size of the pad for the small fine ore bin did not appear to be as large as the area indicated by drawings ML-1 & ML-3. Please explain. (DJ)

### **R647-4-111 - Reclamation Practices**

#### **111.1 Public safety & welfare**

The plan indicates that the fine ore bins will be cut into two sections while still standing then pulled over with a long cable pickup truck.

The Division would like to see more detail on the plan which would demonstrate how this activity will be completed safely. (DJ)



Initial Review - Amendment

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M/031/003

March 29, 2005

#### **111.11 Structures & equipment buried or removed**

The amendment discusses materials and plans for the construction of the fine ore bin and gallery, the text should also include the plans for the demolition and removal of these structures. (DJ)

#### **R647-4-113 - Surety**

In order to confirm the equipment cost included in the plan please include the size of the equipment to be used for demolition. (DJ)

The Division uses R. S. Means Heavy Construction Cost Data and the Caterpillar Handbook to estimate costs to determine reclamation sureties. (DJ)

#### **Line item costs from submittal**

##### **Equipment**

The cost estimate indicates that in order to complete this demolition an excavator, dump truck, forklift and a compressor will be needed to complete the demolition. Mob/demob is only included for the compressor. Please explain why this cost is not shown for these other pieces of equipment. Do these equipment costs include fuel and overhead and profit in the rental costs?

This job is located a distance from the nearest town, how will the demolition crews be transported to and from the site?

##### **Roof & Wall Square Footages**

Unable to understand the square footages shown in the estimate. A wall 17.5' + 9' high & 24.5 wide calculates to 649 square feet not 625 square feet as shown on the estimate.

Other square footages shown in these estimate appear to be incorrect. Please check these numbers and correct, if necessary, or explain how these figures were arrived at.

The square footages shown on the gangway estimate should also be reviewed.

##### **Removal of Two Silo Bins**

The diameter of each silo is 11'. The linear footage to be cut when cutting these silos in two sections would be 95', not 70' as shown in the estimate.

Cutting at a given rate of 5 min/ft it would take 475 minutes to cut each silo into sections or 950 minutes (15.8 hours) for two silos, not 350 minutes shown in the estimate. It appears that the estimate only reflects the cost of cutting one silo.

According to the Means estimating guide, a welders wages should be calculated @ \$68.25/hr, a torch @ \$19.80/day and gases @ \$71.30/day each includes overhead and profit.



**Load, Haul, dump with Contractor-Owned Flat Bed Dump Truck**

The excavator cost is shown as \$135.00/hr for loading of demolition waste. Loading time is shown as 45 minutes. ( $.75 \times \$135 = 101.25/\text{load}$ ) The amount shown in the estimate is \$75/hr. How did the writer arrive at this reduced excavator cost?

Please clarify the cost for the use of the excavator when loading demolition waste.

**Reclamation Cost Estimate: Upstairs of Annex**

The equipment to be used in this activity indicates that a chain saw will be rented to accomplish a portion of the work.

None of the activities shown which require the use of the chainsaw reflect the rental cost of the saw. Please review these costs and adjust if necessary.

**Reclamation Cost Estimate: Fine Ore Bin**

The face area of the concrete structure to 1 foot below the ground is shown as 787 square feet.

The concrete structure has two walls which measure 24.5'W X 14'H and one wall which measures 12'W X 14'H. Adding the additional 1' to the height of the walls to account for the area below ground, the total square footage for these walls is 915 square feet. Please indicate how the 787 square foot figure was arrived at or adjust the footage to reflect corrected square footage totals.

Drilling holes at a 2' X 2' interval to a 1' depth is shown as 196.75/linear feet.

Will this figure be sufficient if the square footage is adjusted to reflect the additional area shown in the above comment?

The labor to complete the drilling of the estimated 197 – 1' holes is 16 man hours.

This will require the driller to drill a hole every 5 minutes if he works a 100% of the 16 hours. Most operator efficiency is only projected at 70 – 75 %, which equates to a hole every 3.7 minutes. Is this sufficient time for the driller to move and reposition the drill? Please review this estimate and adjust as necessary.

The estimate indicates that explosives will be used to demolish the fine ore bin walls.

Will this require a licensed blaster to be on site to load and detonate the dynamite? If this is correct, please include the cost of this person to the estimate.

**Burying Concrete**

The cost of the cost for cutting rebar with oxy-acetylene should be reviewed in consideration of previous comments.

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An inquiry was made as to the reclamation of the septic system which is planned for the mill building

The Division's reclamation requirements for the site will not require the excavation and removal of this system. Local and State Health Department requirements will dictate the final disposition of this system.